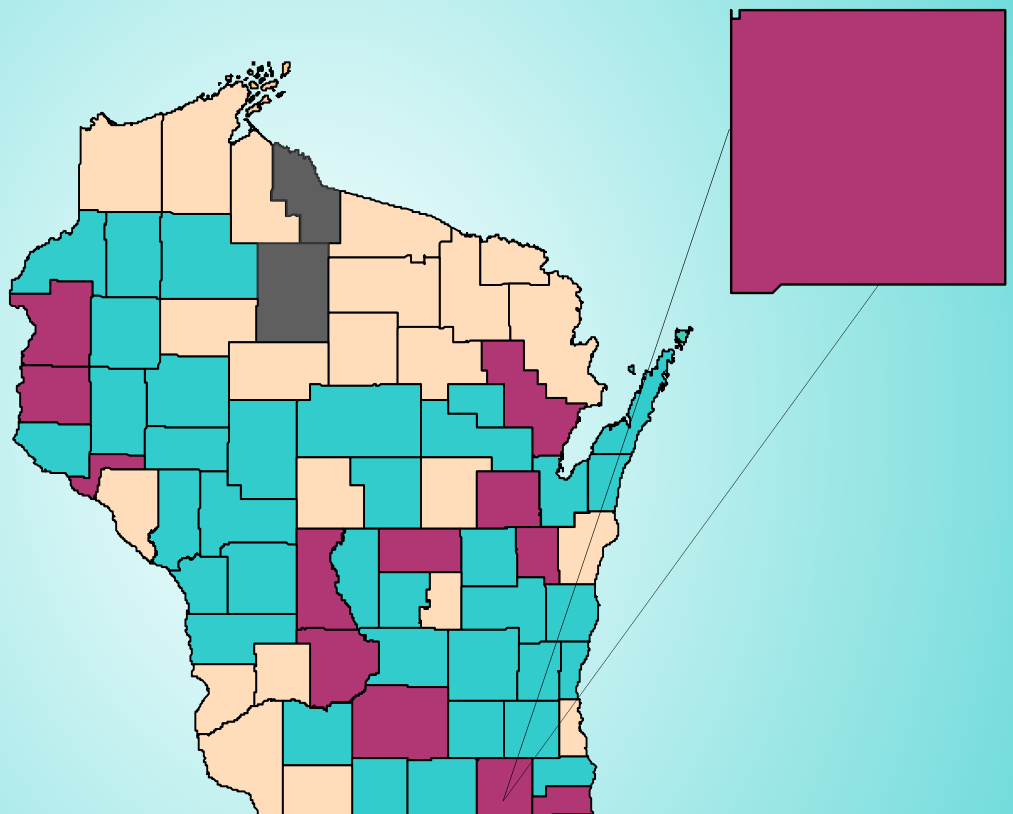


Walworth County Workforce Profile

Projected population growth from 2000 to 2020



Source: Wisconsin Department of Administration, Demographic Services Center.
Statewide population growth is projected to be 13.9 percent from 2000 to 2020.



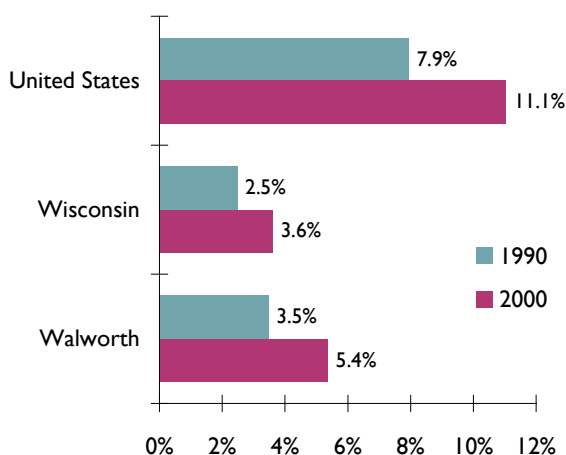
County Population

Walworth County showed stellar population growth expanding at one of the state's fastest paces, 23 percent, from 1990 to 2000; a decade that showed extreme population growth compared to previous decades for many Wisconsin communities. Almost eighty percent of Walworth's population growth came via domestic and international in-migration of new residents into the county. The remaining 20 percent were a result of natural increase, which is a net total births in the county minus the number of deaths.

Twenty months after the 2000 census figures were released, Walworth County's population continued its blazing pace at 2.8 percent growth adding over 2,500 new residents; most moving into the county rather than from natural increase. Walworth is currently the tenth fastest growing county in the state and is one of only two counties in the southeast corner of the state whose growth is ranked in the top half of the state's 72 counties.

Walworth County's in-migration can be summarized in two ways. The first is the fact that a great deal of new residents are retirees. The best indicator of this other than residential age data is the fact that Walworth has a very high percentage of seasonal (part-year) and recreational housing. In fact, 17.5 percent of all housing is seasonal compared to the state's rate of 6.3 percent. This is important because one of the strongest indicators of retiree relocation is where vacations were taken or where seasonal property is owned. There is no doubt that the Lake Geneva area has had a strong magnetism to part-year residents

Share of Foreign-born Residents



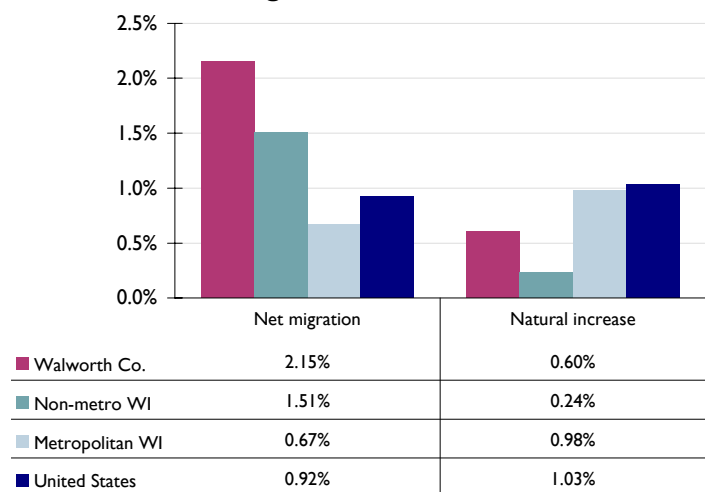
Source: US Dept. of Commerce, Census 2000, Summary file-4, QT-PI4

Total Population

	April 2000 Census	January 1, 2002 estimate	Percent change
United States	281,421,906	286,923,000	2.0%
Wisconsin	5,363,701	5,453,896	1.7%
Walworth County	91,996	94,532	2.8%
Largest Municipalities			
Whitewater, City*	10,809	10,998	1.7%
Delavan, City	7,956	8,128	2.2%
Elkhorn, City	7,305	7,694	5.3%
Lake Geneva, City	7,148	7,196	0.7%
Bloomfield, Town	5,537	5,743	3.7%
Geneva, Town	4,642	4,740	2.1%
Delavan, Town	4,559	4,675	2.5%
East Troy, Town	3,830	3,845	0.4%
East Troy, Village	3,564	3,771	5.8%
Lyons, Town	3,440	3,586	4.2%

* Walworth County portion only

Net migration and natural increase



Source: Wisconsin DOA, Demographic Services Center & US Census Bureau

moving in for year-round living as well its attractiveness for more housing development

The other major perspective of Walworth's population growth has been international migration. Walworth's ratio of those who are foreign-born is a bit higher than the state's ratio, which is rather atypical of a non-metropolitan county in Wisconsin. Of the 5,000+ foreign-born residents in Walworth ages five years and older, about 47 percent of them came into the United States between 1990 and 2000. Those

(Continued on page 2)

Walworth County Workforce Profile

Population Projections by Age Groups in Walworth County

	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75+
2000																
Male	2,818	3,245	3,466	3,635	4,237	2,720	3,029	3,628	3,760	3,423	2,840	2,236	1,785	1,452	1,394	2,160
Female	2,709	3,054	3,398	3,357	3,903	2,558	2,896	3,681	3,569	3,222	2,804	2,220	1,869	1,637	1,562	3,729
2005																
Male	2,935	3,127	3,612	3,624	4,503	2,785	2,611	3,289	3,865	3,875	3,482	2,861	2,172	1,641	1,318	2,461
Female	2,817	3,011	3,411	3,333	4,218	2,696	2,470	3,139	3,827	3,671	3,295	2,814	2,188	1,775	1,525	3,831
2010																
Male	3,054	3,203	3,416	3,793	4,536	2,976	2,683	2,866	3,546	4,024	3,986	3,537	2,806	2,015	1,501	2,626
Female	2,934	3,084	3,301	3,363	4,236	2,935	2,617	2,716	3,304	3,981	3,790	3,332	2,802	2,099	1,665	3,907
2015																
Male	3,291	3,278	3,485	4,406	4,664	2,978	2,854	2,934	3,086	3,687	4,131	4,041	3,460	2,602	1,840	2,870
Female	3,164	3,161	3,372	4,209	4,193	2,929	2,836	2,868	2,856	3,435	4,098	3,815	3,306	2,684	1,963	4,092
2020																
Male	3,561	3,428	3,511	4,420	5,321	2,987	2,808	3,058	3,114	3,166	3,738	4,134	3,901	3,167	2,344	3,305
Female	3,415	3,305	3,399	4,210	5,156	2,819	2,774	3,031	2,963	2,919	3,480	4,052	3,719	3,113	2,466	4,453

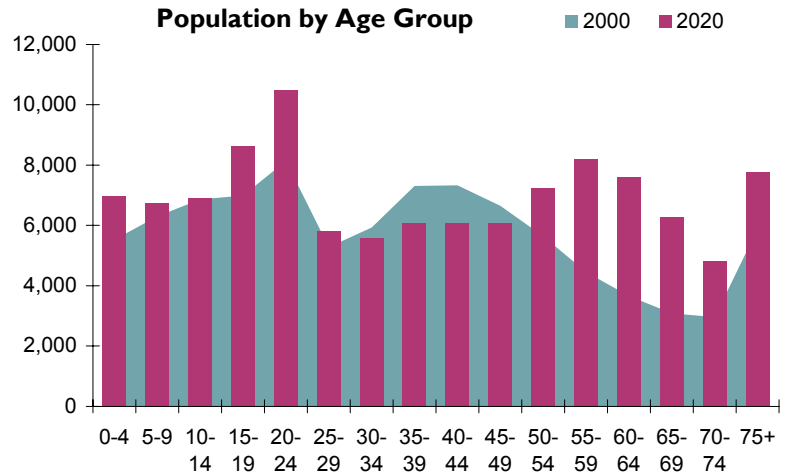
Source: Wisconsin Dept. of Administration, Demographic Services, October 2003

from Latin America compose the majority (60 percent) of the foreign-born in the county with almost 62 percent arriving in the United States between 1990 and 2000. In short, without domestic and international migration into the county, there would have been little population growth given the fact that little of the population growth came naturally.

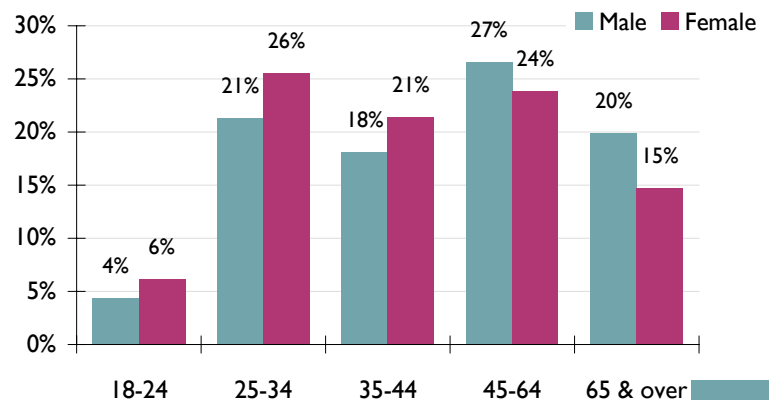
The county's population is projected to grow 21 percent from 2000 to 2020, which is slower than the growth from the last ten-year period, alone. Nonetheless, Walworth's population will continue as one of the state's fastest growing and the age characteristics of the growth will be reflective of population that is skewing considerably older.

The population by age group graph on this page examines current and projected age composition. These age data could be examined in myriad ways, so generally speaking those under age 30 will increase 16 percent by 2020, those between 30 and 49 will decrease by 12 percent and those 50 years and older will increase 67 percent. The fact that Walworth County has a university setting with a younger population offsets these age disparities a bit, but recent college graduates also tend to be very mobile and many seek larger job markets. The increase in younger population, particularly ages 15 to 24 years compared to year 2000 is only slightly encouraging for the fact that the older population is projected to increase faster and larger. The impact of these age demographics on the labor force will be discussed in the upcoming sections.

Population by Age Group



Percent of age group with at least a Bachelor's degree in Walworth County



Source: US Dept. of Commerce, Census 2000, Summary file 4, QT-P20

Labor Force Characteristics

The labor force is the sum of a location's employed and unemployed. Participants must be 16 years of age and the unemployed must be actively looking for work to be counted. The labor force can speak volumes about an area's demographic and economic qualities; more so than one may believe at face value.

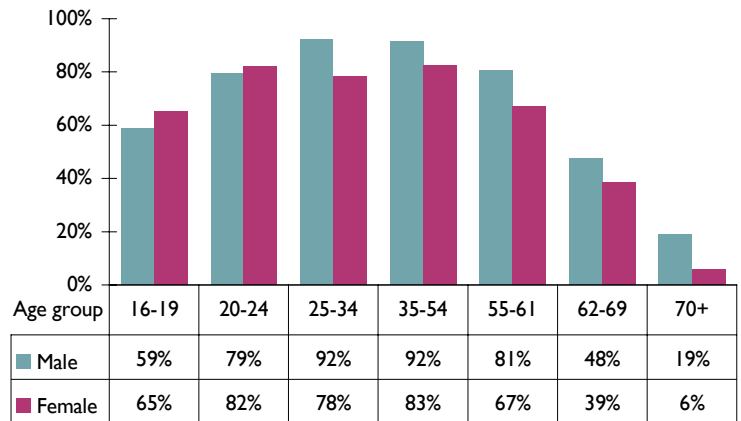
The labor force in Walworth County expanded by five percent from 1997-2002. The number of employed increased by 1,726 (+3.4%) and the unemployed increased by 994 (+62%). This disparate increase in the unemployed over this five-year period caused the 1997 unemployment rate of 3.1 percent to increase to 4.7 percent by 2002. The recession that took shape in 2000 and was officially declared to have been in effect from March to November 2001 was to blame for higher unemployment rates after record setting lows in the late 1990s.

A valuable, but seldom reported metric of the labor force is the labor force participation rate (LFPR). The LFPR measures how many of those over the age of 16 are active in the labor force, either as employed or unemployed. Walworth's annual average LFPR in 2002 was 75.2 percent; a mark higher than both the state and national averages, which were 73.0 and 66.6 percent, respectively. Because 75.2 percent of the labor force aged population were participating it implies that 24.8 percent were not. The graph to the immediate right shows how the LFPR has performed from 1997 to 2002. It has declined from record high rates in the late 1990s though it has rebounded slightly to its present rate. The LFPR has most likely peaked for the foreseeable future, due to the aging population and the likelihood that many older residents will be retired with no intention of participating in the labor force or perhaps with a limited role.

The reader should keep in mind that population growth has been very strong but that labor force growth has been much slower. This is foreshadowing to "demographic imperatives" that have been trumpeted loudly for several years. The graph to the right displays present and projected Walworth County labor force by age composition. The projected figures make the assumption the each age group will maintain its respective, present LFPR. Total labor force is projected to gain about 8,300 (+16%) participants compared to total population growth of those

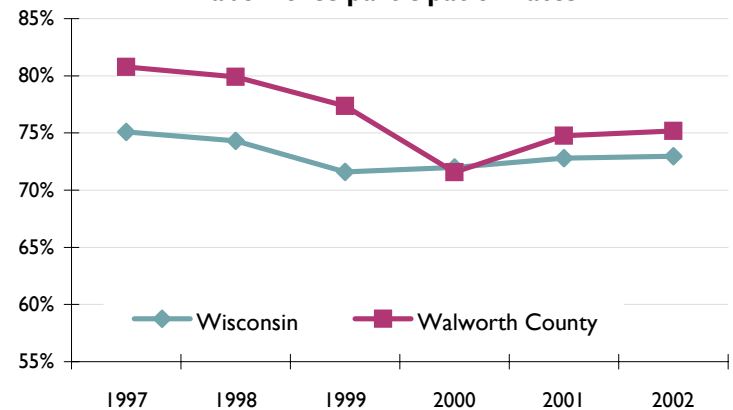
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Walworth Labor Force Participation by Age & Sex in 2000



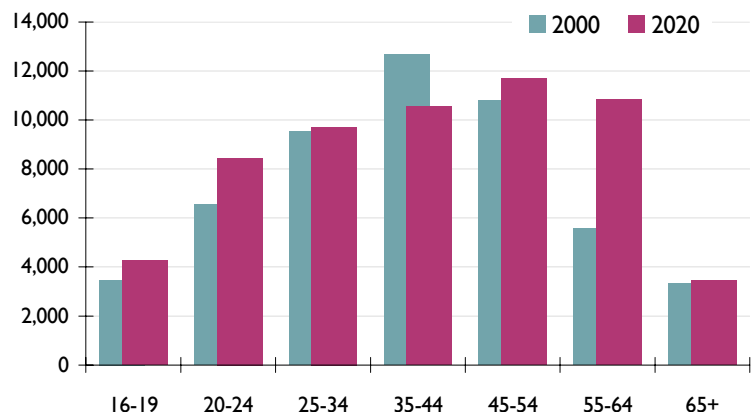
Source: US Dept. of Commerce, Census 2000, Summary file 4, PCT-79

Labor force participation rates



Source: WI DWD, Office of Economic Advisors, 2003

Labor Force by Age in 2000 & 2020 in Walworth County

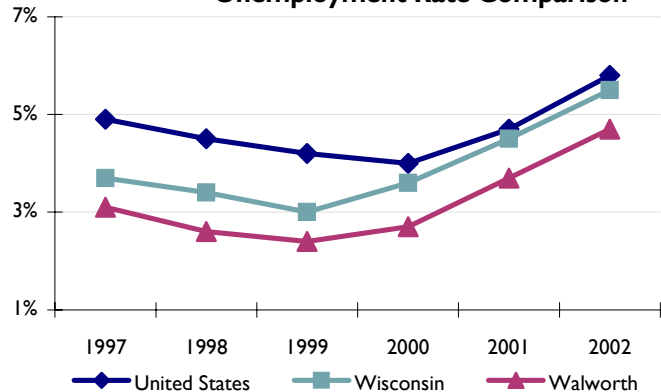


Source: DWD, Office of Economic Advisors, US Census, SF-4 (PCT-79), WI Demographic Services

Walworth County Workforce Profile

16 and older (labor force eligible) of 17,300 (+24%). One will notice that younger segments of the labor force are expected to increase compared to 2000, but those in their prime earning years, between 25 and 54 years, will be a numerically and proportionally smaller pool of workers. Those in the labor force ages 55 to 64 years are projected to increase by 95 percent and those 65 years and older will increase by 64 percent. To put this into another perspective, those 55 and over are projected to compose one out of four employees in 2020 compared to approximately one out of every seven in 2000.

Unemployment Rate Comparison



Walworth County Civilian Labor Force Data

	1997	1998	1999	2000	2001	2002
Labor Force	52,019	52,148	51,954	52,617	54,384	54,739
Employed	50,417	50,788	50,712	51,184	52,392	52,143
Unemployed	1,602	1,360	1,242	1,433	1,992	2,596
Unemployment Rate	3.1%	2.6%	2.4%	2.7%	3.7%	4.7%

Source: WI DWD, Bureau of Workforce Information, LAUS program, 2003

Occupations in demand

Occupational information requests outnumber every other labor market information customer request. This is due to the fact that the parties involved in the labor transaction, employers and jobseekers, are keenly interested in career direction, education and training requirements, and importantly, wages associated with careers.

The table to the right examines the fastest growing occupations in the Southeast region (Kenosha, Racine and Walworth counties), occupations that will have the most openings between 2000 and 2010 and the occupations' average hourly wages in 2001.

The distinctions between the fastest growing and those with most openings are obvious; wages and educational requirements are quite different. Occupations with the most openings tend to be entry-level needing less educational requirement or training and may have higher turnover as people move up career ladders. Occupations that are growing quickly may not necessarily grow abundantly. They are pervasive in technical fields and most require some form of post-high school training or formal education. The wage premium for higher educational attainment is quite evident in this example and is exemplary of a changing labor demand.

Southeastern Region Occupation Projections: 2010

	Top Ten Occupations	Education & Training Typically Required*	Average Wage**
Fastest Growth	Computer Support Specialists	Associate degree	\$18.57
	Network/Computer Systems Admin	Bachelor's degree	\$24.41
	Medical Records/Health Info Techs	Associate degree	\$10.81
	Personal and Home Care Aides	1-month or less training	\$8.48
	Medical Assts	1-12 mo. on-the-job training	\$10.96
	Social/Human Service Assts	1-12 mo. on-the-job training	\$11.40
	Fitness Trainers/Aerobics Instruct	Postsecondary voc. trng	\$8.05
	Computer/Information Systems Mgrs	Work experience & degree	\$33.92
	Hotel/Motel/Resort Desk Clerks	1-month or less training	\$8.43
	Home Health Aides	1-month or less training	\$8.77
Most Openings	Comb Food Prep/Serv Wrk/Incl Fast	1-month or less training	\$7.44
	Cashiers	1-month or less training	\$7.62
	Retail Salespersons	1-month or less training	\$9.19
	Waiters/Waitresses	1-month or less training	\$6.38
	Registered Nurses	Bachelor's degree	\$21.39
	Office Clerks/General	1-month or less training	\$10.68
	Bartenders	1-month or less training	\$8.89
	Team Assemblers	1-12 mo. on-the-job training	\$13.20
	Labrs/Frght/Stock/Matrl Movers/Hand	1-month or less training	\$10.46
	Janitors/Cleanrs Ex Maids/Hskpng	1-month or less training	\$9.57

* The most common way to enter the occupation, not the only way

** Wages from Occupation Employment Statistics survey responses for region, 2001

Southeastern WDA includes Kenosha, Racine and Walworth counties.

Source: WI DWD, Bureau of Workforce Information, 2002

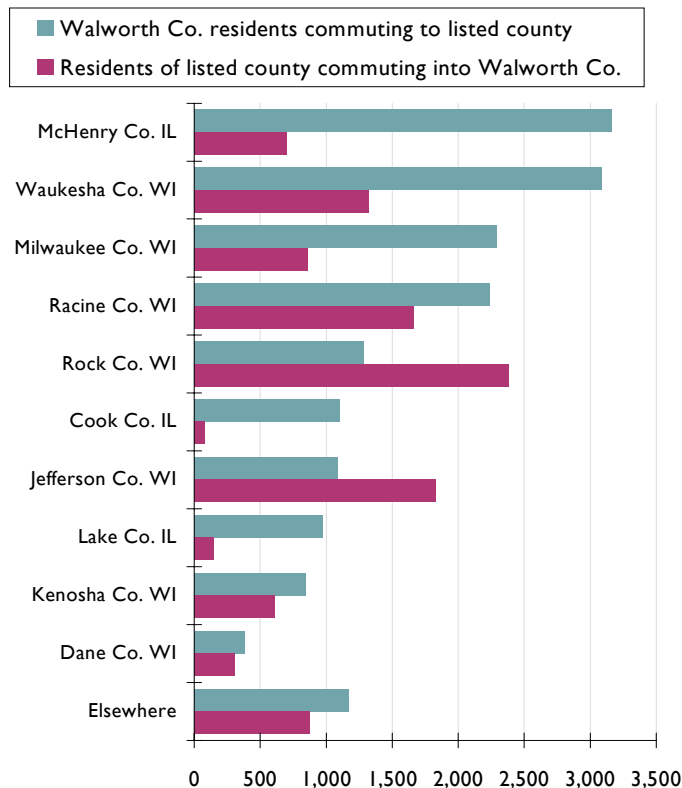
County Commuting Patterns

This topic is arguably one of the more underrated yet highly anticipated pieces of labor market information. It is key information when profiling a local economy. These data are measured every 10 years by the U.S. Bureau of Census, but may be surveyed annually via the American Community Survey, which is a new approach the bureau is undertaking to measure the

U.S. population between the decennial censuses.

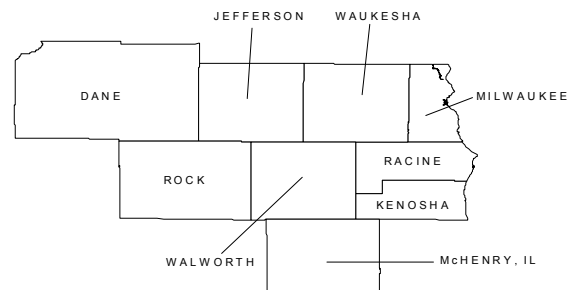
Commuting juxtaposes two simple questions: “where do you live?” and “where do you work?”. Sixty-three percent of Walworth County’s employed residents work in Walworth County. This is a bit below the state average of 74 percent. This implied out-commute percentage of 37 percent is not so surprising given the fact that Walworth County is located in one of the most economically dynamic portions of the state and is surrounded by job-rich metropolitan areas in both Wisconsin and Illinois not to mention the fact that Walworth residents are compelled to seek work in other counties as the number of employed residents in 2002 numbered 52,100 and the number of nonfarm jobs in the county numbered 41,600.

Overall, Walworth County loses more workers to other counties than it gains. The graph to the left outlines the attractiveness of other counties to Walworth workers and Walworth County to nearby workers. Walworth has a net loss of workers to the region with the exception of two adjacent counties, Jefferson County to its north and Rock County to its west. It would be no surprise if Waukesha is presently the largest out-commute instead of McHenry County, IL. Data show that McHenry County receives the largest number of Walworth residents, but this number has probably dwindled due to the fact that the Motorola, Inc. plant in Harvard, IL has closed its doors. It had employed many Walworth residents.



	Walworth Co. residents commuting to listed county	Residents of listed county commuting into Walworth Co.	Net gain or loss of workers
McHenry Co. IL	3,164	704	-2,460
Waukesha Co. WI	3,088	1,321	-1,767
Milwaukee Co. WI	2,290	857	-1,433
Racine Co. WI	2,240	1,660	-580
Rock Co. WI	1,284	2,383	1,099
Cook Co. IL	1,102	76	-1,026
Jefferson Co. WI	1,087	1,830	743
Lake Co. IL	976	148	-828
Kenosha Co. WI	844	614	-230
Dane Co. WI	382	311	-71
Elsewhere	1,170	872	-298

Source: US Dept. of Commerce, Census 2000, County-to-county worker-flow files



Industry Employment -

Introducing NAICS (North American Industry Classification System)

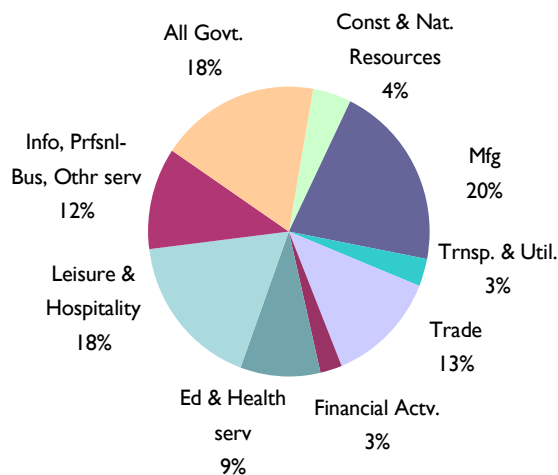
The North American Industry Classification System (NAICS) is a new way of categorizing employers by industry as of 2002. It replaces the old system known as Standard Industrial Classification (SIC).

A tome could be written explaining why the change and what the differences are. For the sake of brevity, NAICS was introduced to reflect a changing economy (new and evolving industries) and to include all three North American countries in a uniform coding system.

NAICS gives more industry detail reflecting industries that are more contemporary than its coding predecessor.

SIC and NAICS data cannot be compared to one another even if the industries share the same or similar name. The new coding system is so different that one cannot assume that data retrieved are similar for comparison. The table at the bottom of the page shows the 2002 industry composition for Walworth County in present and former coding systems. *Note: data in the NAICS format is only available for years 2001 and 2002 at the time of publication. It is hoped that data retroactively coded back to 1990 will be available in 2004 so readers can see how these industry sectors have changed.*

Walworth County Industry Distribution: 2002



Walworth County's largest employing industry continues to be manufacturing regardless of coding system. The county is also heavily rooted in what some refer to as the tourism industry (which is technically not an industry, but composed of several industries that cater to tourists). Tourism is chiefly composed of leisure and hospitality sector employment, which at 18 percent of the county's employment, shows twice the presence than the state average. Leisure and hospitality includes employers such as hotels, restaurants, arts, entertainment and other recreational industries.

Summarizing Walworth's industry employment compared to the state as a whole, it is higher in percentage in manufacturing; leisure and hospitality; and government employment. It is lower in presence in construction and natural resources; transportation and utilities, trade; financial activities; education and health services; information.

(Continued on page 7)

2002 Industry Employment in Walworth County: A comparison of two classification systems

NAICS Super-sectors	Employment	Distribution	SIC Industry Divisions	Distribution
Construction, natural resources & mining	1,848	4%	Construction & Mining	5%
Manufacturing	8,667	21%	Manufacturing	22%
Transportation, warehousing & utilities	1,250	3%	Transportation, utilities & communication	4%
Trade (wholesale & retail)	5,317	13%	Wholesale trade	4%
			Retail trade	19%
Financial activities	1,042	3%	Finance, insurance & real estate	3%
Information, professional & business services, other services	4,799	12%	Services & misc (incl. agr, forestry, fishing)	26%
Education and health services	3,826	9%	Government	17%
Leisure & hospitality	7,303	18%		
Government	7,596	18%		

Source: WI DWD, Bureau of Workforce Information, Current Employment Statistics Program, March 2003

Walworth County Workforce Profile

tion, professional, business and other services employment.

The top ten employers and industries listed below show the major employers and their composition in the labor economy. Typically the top ten industry lists focus on the private employers in a county, but because government-owned employment such as the UW-Whitewater and K-12 school districts, etc. are so large and employed so many, they were deemed necessary for this profile.

The top industries represent almost half of the counties employment though many of the industries in the aforementioned leisure and hospitality sector are seasonal with flat employment in the off-season. Walworth County is the most seasonally-volatile county in this part of Wisconsin and has shown industry employment increases in one month that register double-digit percentages. The Lake Geneva area is responsible for much of this volatility.

Top 10 Industry Groups in Walworth County

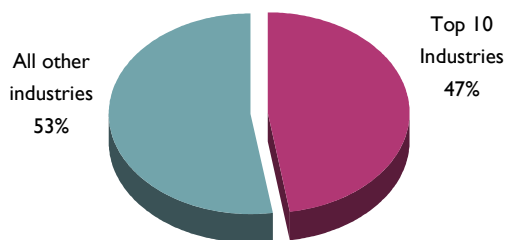
Industry Group	March 2003		Numeric change 2002 - 2003
	Employers	Employees	
Educational Services	31	3,851	89
Food Services and Drinking Places	193	3,769	-89
Accommodation	27	2,212	234
Executive, Legislative, & Gen Government	30	1,849	31
Machinery Manufacturing	20	1,718	-20
Plastics & Rubber Products Manufacturing	19	1,566	17
Fabricated Metal Product Manufacturing	43	1,333	39
Administrative and Support Services	107	1,274	-2
Nursing and Residential Care Facilities	29	1,107	30
Food and Beverage Stores	36	1,092	-58

*data suppressed to maintain confidentiality

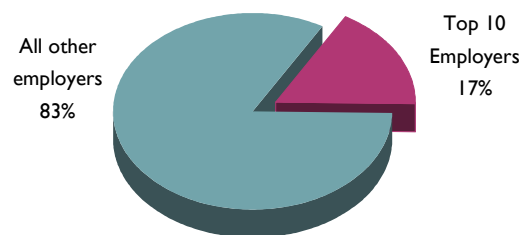
Top 10 Employers in Walworth County

Company	Product or Service	Size
University of Wisconsin- Whitewater	Colleges, universities, and professional schools	1000 +
County of Walworth	Executive & legislative offices, combined	1000 +
Grand Geneva, LLC	Hotels (except casino hotels) and motels	500-999
Sta-Rite Industries, Inc.	Pump and pumping equip. manufacturing	500-999
Aurora Health Care of Southern Lake	General medical & surgical hospitals	500-999
Miniature Precision Components, Inc.	All other plastics product manufacturing	500-999
Wal-Mart Associates, Inc.	Discount department stores	500-999
Trostel Ltd.	Gasket, packing, and sealing device manufacturing	250-499
Elkhorn Area School Dist.	Elementary & secondary schools	250-499
Compass Group Services, LLC	Caterers	250-499

Share of jobs with top 10 industries



Share of jobs with top 10 employers



Source: WI DWD, Bureau of Workforce Information, ES-202 special report, First quarter, 2003

Walworth County Workforce Profile

The table to the right shows the annual average wage paid by industry in Walworth County and compares it to the state average. As expected of a non-metropolitan county, Walworth's average pay is lower in the majority of industries with the exception of the leisure and hospitality sector.

The graph below takes this comparison a step farther and illustrates the comparative importance of industry employment levels to the total wages these sectors pay in Walworth County. An example of how to read this graph is manufacturing employment composes about 23 percent of the county's employment, but pays about 31 percent of the county's total wages earned, putting a premium on this industry's employment for its disproportionately high wages. On the other hand, leisure and hospitality employment shows the opposite effect with a higher employment ratio than wages paid. This is due to the fact that much of

Average Annual Wage by Industry Division in 2002

	Average Annual Wage		Percent of	I-year
	Wisconsin	Walworth County	Wisconsin	% change
All Industries	\$ 32,422	\$ 27,730	86%	1.3%
Natural resources	\$ 25,481	\$ 23,487	92%	6.3%
Construction	\$ 39,649	\$ 36,321	92%	2.4%
Manufacturing	\$ 40,584	\$ 37,928	93%	5.2%
Trade, Transportation, Utilities	\$ 28,422	\$ 26,154	92%	0.9%
Information	\$ 38,871	suppressed	suppressed	suppressed
Financial activities	\$ 40,337	\$ 29,062	72%	-11.1%
Professional & Business Services	\$ 36,324	\$ 28,637	79%	1.5%
Education & Health	\$ 33,768	\$ 31,682	94%	3.0%
Leisure & Hospitality	\$ 11,837	\$ 12,188	103%	-0.9%
Other services	\$ 19,500	\$ 16,191	83%	-1.7%
Public Administration	\$ 33,769	\$ 30,696	91%	1.4%

Source: WI DWD, Bureau of Workforce Information, Covered Employment & Wages, August 2003

leisure and hospitality employment is entry-level, part-time and seasonal in nature. Manufacturing wages are higher on average due to more hours worked, the likelihood of collective bargaining agreements and longer job tenures that are not so pervasive in entry-level pay scales. Data for the information and not assigned sectors did not meet minimum release thresholds and were suppressed.

2002 Employment and Wage Distribution by Industry in Walworth County



Source: WI DWD, Bureau of Workforce Information, Covered Employment and Wages, August 2003

Per Capita Personal Income (PCPI)

PCPI is a popular and accepted indicator of the economic health of an area's population. It is defined as an area's total income divided by the total population. Income is composed of earnings from work, dividends and interest from equities or other holdings and from transfer payments, which are government payments for various reasons.

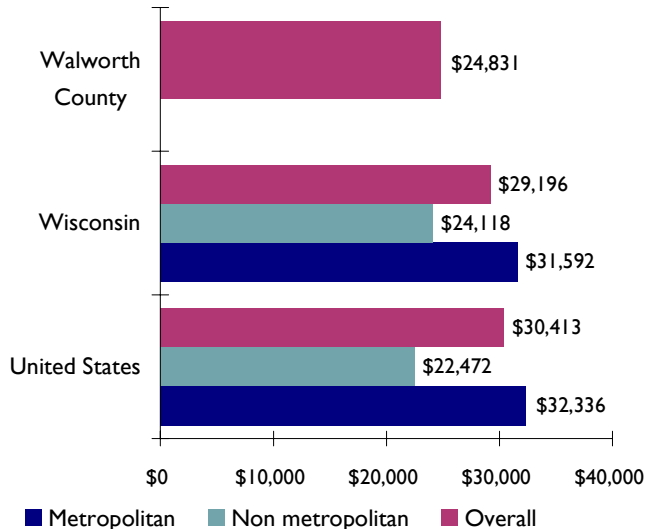
Walworth's PCPI is the 34th highest in Wisconsin in 2001 and has shown flat growth over the last five years. The slow growth is probably related to many factors such as, 1) an increasing older population that is now

less likely to compose income from job wages and more likely from retirement income sources or returns from investments and related, 2) a large increase in the number of young children in the last decade who are not income earners, but are figured into this per capita figure regardless, and 3) job growth in Walworth County has been very strong in many occupations that are part-year and/or of an entry level nature, coupled with the fact that the region's manufacturing industry slumped in the late 1990s and that this industry's higher-paying employment has remained lower than in years past.

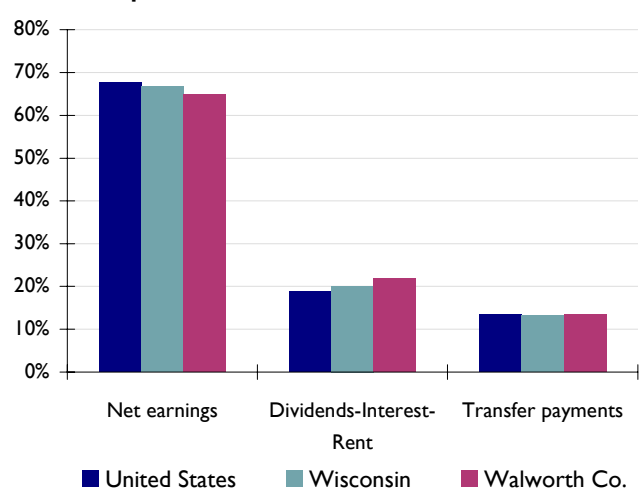
Per Capita Personal Income

	1996	1997	1998	1999	2000	2001	Percent Change	
							1 year	5 year
United States	\$24,270	\$25,412	\$26,893	\$27,880	\$29,760	\$30,413	2.2%	25.3%
Wisconsin	\$23,301	\$24,481	\$26,004	\$26,926	\$28,389	\$29,196	2.8%	25.3%
Walworth County	\$20,976	\$21,647	\$22,815	\$23,353	\$24,619	\$24,831	0.9%	18.4%

2001



Components of Total Personal Income: 2001



Source: US Dept. of Commerce, Bureau of Economic Analysis, State & Local Personal Income, May 2003, CAI-3, CA05

WWW addresses of source data

Wisconsin population estimates and projections:

<http://www.doa.state.wi.us/dir/index.asp>

Education levels of population, labor force participation rates, commuting patterns:

<http://www.census.gov/main/www/cen2000.html>

Labor force estimates (employed and unemployed), industry employment, average annual wages:

<http://www.dwd.state.wi.us/lmi/>

Occupations in-demand:

http://www.dwd.state.wi.us/lmi/wda_map.htm

Per Capita Personal Income:

<http://www.bea.gov/bea/regional/reis>

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